

CITY OF GALENA, KANSAS

Annual Financial Report

For the Year Ended December 31, 2015

MENSE, CHURCHWELL & MENSE, P.C.
Certified Public Accountants

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CHRIS D. CHURCHWELL, C.P.A.
EUGENE M. MENSE III, C.P.A.

To the Mayor and Member of the City Council
City of Galena, Kansas

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of City of Galena, Kansas, as of and for the year ended December 31, 2015 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the City of Galena, Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Galena, Kansas as of December 31, 2015, or changes in financial position and cash flows thereof for the year then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

The fund summary statement of regulatory receipts, expenditures, and unencumbered cash balances does not include the Hospital Fund. The amount by which this omission would affect the receipts, expenditures and unencumbered cash has not been determined.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Galena, Kansas as of December 31, 2015, and the aggregate receipts and expenditures for the year ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and

certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.



Mense, Churchwell & Mense, P.C.
Certified Public Accountants

Joplin, Missouri
July 20, 2016

CITY OF GALENA, KANSAS

Summary Statement of Receipts, Expenditures, and Unencumbered Cash

Regulatory Basis

For the Year Ended December 31, 2015

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending		Add: Encumbrances and Accounts Payable	Ending Cash Balance
					Unencumbered Cash Balance	Cash Balance		
General Funds:	\$	\$	\$	\$	\$	\$	\$	\$
General	56,368	-	1,486,404	1,371,822	170,950	20,818	191,768	
Special Purpose Funds:								
Police Training	12,535	-	1,283	-	13,818	-	13,818	
Police DUI	6,578	-	450	-	7,028	-	7,028	
Drug Seizure	6,567	-	-	1,233	5,334	-	5,334	
Fire Chassis	56,748	-	25,817	43,566	38,999	-	38,999	
City Attorney Training	1,049	-	254	-	1,303	-	1,303	
City Attorney DUI	505	-	151	-	656	-	656	
Park Improvement	29	-	-	-	29	-	29	
City Beautification	281	-	-	-	281	-	281	
Landfill	49,365	-	62,615	28,891	83,089	-	83,089	
Special Highway	9,020	-	78,272	74,346	12,946	2,617	15,563	
Employee Benefits	81,173	-	190,425	124,231	147,367	32,454	179,821	
Special Liability	33,839	-	8,843	4,438	38,244	-	38,244	
Special Parks and Recreation	3,436	-	1,342	-	4,778	-	4,778	
Library	-	-	71,628	61,186	10,442	-	10,442	
Ambulance Service	-	-	190,528	190,528	-	-	-	
Noxious Weeds	2,355	-	-	-	2,355	-	2,355	
Cemetery Perpetual Care Interest	1,132	-	148	-	1,280	-	1,280	
Equipment Reserve	16,916	-	34,886	15,000	36,802	-	36,802	
Sewer Equipment Reserve	25,529	-	6,970	-	32,499	-	32,499	
Monofill - Bluehole	37	-	-	-	37	-	37	
Zeliken	5,683	-	-	-	5,683	-	5,683	
Special Water	62,773	-	12,000	21,220	53,553	-	53,553	
Economic Development	-	-	508	-	508	-	508	
Bond and Interest Funds:								
Bond and Interest	14,385	-	166,045	125,157	55,273	-	55,273	

The notes to the financial statement are an integral part of this statement.

CITY OF GALENA, KANSAS

Summary Statement of Receipts, Expenditures, and Unencumbered Cash

Regulatory Basis

For the Year Ended December 31, 2015

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add: Encumbrances and Accounts Payable	Ending Cash Balance
Business Funds:							
Water	\$ 49,148	\$ -	\$ 612,211	\$ 619,526	\$ 41,833	\$ 30,662	\$ 72,495
Customer Deposits	82,598	-	13,350	11,686	84,262	-	84,262
Water Meter Fund	71,573	-	7,900	6,197	73,276	-	73,276
Sewer	155,793	-	298,342	246,590	207,545	9,220	216,765
Solid Waste	9,213	-	251,474	236,575	24,112	14,425	38,537
Trust Funds:							
Cemetery Perpetual Care	125,978	-	148	-	126,126	-	126,126
Total Reporting Entity	\$ 940,606	\$ -	\$ 3,521,994	\$ 3,182,192	\$ 1,280,408	\$ 110,196	\$ 1,390,604
Composition of Cash							
					Cash on Hand		\$ 175
					Checking Accounts		1,027,543
					Certificates of Deposit		360,886
					U.S. Savings Bonds		2,000
					Total Reporting Entity		\$ 1,390,604

The notes to the financial statement are an integral part of this statement.

CITY OF GALENA, KANSAS

Notes to Financial Statement

December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I.A. INTRODUCTION

The City of Galena, Kansas, was incorporated in 1877 and operates as a second class city under the statutes of the State of Kansas, (KSA 14-101 et. seq.). The City operates under a Mayor – Council form of government. Major services provided by the City include: Public Safety – Police and Fire, Highways and Streets, Sanitation, Health, Recreation, Public Improvements, Planning and Zoning, and General Administrative Services. The City also provides water and sewer utility services.

I.B. MUNICIPAL FINANCIAL REPORTING ENTITY

The financial statement presents the City of Galena, Kansas, (the municipality) as defined in K.S.A. 75-1117. The municipal financial reporting entity includes the municipality and any included related municipal entities. A related municipal entity is any legally separate municipal organization which was established to benefit the City or its' constituents.

A description of each related municipal entity and its relationship to the municipality is disclosed below for informational purposes. These entities are not included in the financial statement.

The following paragraphs briefly describe each related municipal entity addressed in defining the municipal financial reporting entity. Further information regarding these entities, their financial statements, and/or operations may be obtained by contacting the entities directly.

1. Library Board – The City of Galena, Kansas Library Board operates the City's public library. Acquisition or disposition of real property by the Board must be approved by the City. Bond issuances must also be approved by the City.
2. Housing Authority – The City of Galena, Kansas appoints the members of the Local Housing Authority. The City of Galena, Kansas Housing Authority operates the City's housing projects. The Housing Authority can sue and be sued, and can buy, sell, or lease real property. The City must approve Bond issues.

CITY OF GALENA, KANSAS
Notes to Financial Statement
December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.C. Regulatory Basis Fund Types

The accounts of the City are organized into funds each of which is considered to be a separate accounting entity. The operations of each fund are summarized by providing a separated set of self-balancing accounts. The following funds are used by the City:

General Fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Project Fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business Fund – funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund, etc.)

Trust Fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.)

Agency Fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.)

CITY OF GALENA, KANSAS

Notes to Financial Statement

December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.D. BASIS OF ACCOUNTING

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in a regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

I.E. BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget.

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. The General, Special Highway, Water, Sewer and Solid Waste Funds were amended during the year.

CITY OF GALENA, KANSAS
Notes to Financial Statement
December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.E. BUDGETARY INFORMATION (CONTINUED)

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose fund:

Special Liability Fund
Equipment Reserve Fund
Sewer Equipment Reserve Fund

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

I.F. ASSETS AND LIABILITIES

I.F.1. Cash and Investments

The City pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pool cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in time deposits.

Additional cash and investment information is presented in Note III.A.

CITY OF GALENA, KANSAS
Notes to Financial Statement
December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.F. ASSETS AND LIABILITIES (CONTINUED)

I.F.2. Compensated Absences

The City's policies regarding vacation and sick pay state that all full-time employees shall receive one to four weeks' vacation time per year depending on their length of employment. Upon termination of service, after the first year, an employee is entitled to pay for unused accrued vacation leave.

Full-time employees shall be entitled to personal leave with pay, which shall accumulate at the rate of 5.33 hours per month for any employment period after January 1, 2007. Part-time employees do not accrue personal leave.

It was impracticable to determine the accumulated unpaid vacation and sick pay. However, City officials estimated the amount not to be material.

I.G. RECEIPTS AND EXPENDITURES

I.G.1. Sales Tax

The City of Galena, Kansas levies a sales tax on taxable sales within the City. The tax is collected by the Kansas Department of Revenue and remitted to the City. The tax is placed in the General Fund to provide city services.

I.G.2. Property Tax

Property taxes are an enforceable lien on property as of January 1. Taxes are levied on November 1 and are due and payable one-half on December 20th and one-half on May 10th of the ensuing year. Unpaid taxes become delinquent after the due dates.

The assessed valuation of tangible property for the calendar year 2015 for the purposes of taxation was \$14,349,421.

The tax levy per \$100.00 of assessed valuation of tangible property for the calendar year was \$6.28. The levy is composed of the sum of the legal tax levies for all funds with authorized levies.

CITY OF GALENA, KANSAS
Notes to Financial Statement
December 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I.G. RECEIPTS AND EXPENDITURES (CONTINUED)

I.G.2. Property Tax (Continued)

Collection of current year property tax by the County Treasurer is not completed, apportioned, nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. These taxes are used to finance budgeted expenditures for the succeeding year in accordance with Kansas Statutes.

I.G.3. Reimbursements

A reimbursement is an expenditure initially made in one fund, but properly attributable to another fund. For example, it is common for the general fund to pay a vendor's bill and have portions of it reimbursed by other funds. In accounting for such reimbursements, the City of Galena, Kansas records an expenditure in the reimbursing fund, and a receipt in the reimbursed fund. For purposes of budgetary comparisons, the amount is shown as a qualifying budget credit in the reimbursed fund.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

II.A. COMPLIANCE WITH STATE STATUTES

The Clerk does not maintain a record of each fund's indebtedness or budget balance available for appropriation. (K.S.A. 10-1117 and K.S.A. 79-2934)

The City Treasurer does not maintain records to show the amount of money in each fund. (K.S.A. 10-1118)

The Water Fund exceeded the budget. (K.S.A. 79-2935)

Claims may be given special treatment in order to earn discounts and avoid penalties under certain conditions. (K.S.A. 12-105a, 12-105b, 10-801 *et. Seq.*)

Lease purchase agreement, for the purchase of Tasers, does not conform with cash-basis law. (KSA 10-1116b)

CITY OF GALENA, KANSAS
Notes to Financial Statement
December 31, 2015

III. DETAILED NOTES ON FUNDS AND ACCOUNTS

III.A. Deposits and Investments

As of December 31, 2015, the City had the following investments and maturities.

Investment Type	Fair Value	Investment Maturities (in Years)	Rating
		Less than 1	
United States Savings Bonds	\$ 2,000	\$ 2,000	N/A
Total Fair Value	<u>\$ 2,000</u>	<u>\$ 2,000</u>	

K.S.A. 9-1401 establishes the depositories which may be used by the Municipality. The statute requires banks eligible to hold the Municipality's funds have a main or branch bank in the county in which the Municipality is located or an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The Municipality has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the Municipality's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The Municipality has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the Municipality may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The Municipality's allocation of investments as of December 31, 2015, is as follows:

Investments	Percentage of Investments
U.S. Government Savings Bonds	100%

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the Municipality's deposits may not be returned to it. State statutes require the Municipality's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The Municipality does not designate "peak periods".

CITY OF GALENA, KANSAS

Notes to Financial Statement

December 31, 2015

III. DETAILED NOTES ON FUNDS AND ACCOUNTS (CONTINUED)

III.A. Deposits and Investments (Continued)

At December 31, 2015, the Municipality's carrying amount of deposits was \$1,388,429 and the bank balance was \$1,401,668. 78% of the bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$571,006 was covered by federal depository insurance, \$830,662 was collateralized with securities held by the pledging financial institutions' agents, but not in the City's name.

III.B. Interfund Transfers

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General	Equipment Reserve	KSA 12-1,117	\$ 34,887
General	Fire Chassis	KSA 12-1,117	25,816
Water	Special Water	KSA 12-825d	12,000
Water	Water Meter	KSA 12-825d	7,900
Sewer	Sewer Equipment Reserve	KSA 12-1,117	6,970

III.C. Restricted Assets

The following amounts in the following funds are restricted as follows:

General Fund -	
Vehicle Inspection Fees (Law Enforcement)	<u>\$ 8,101</u>

CITY OF GALENA, KANSAS
Notes to Financial Statement
December 31, 2015

III. DETAILED NOTES ON FUNDS AND ACCOUNTS (CONTINUED)

III.D. Conduit Debt Obligation

From time to time, the City issues Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

The outstanding balance of \$5,000,000.00, City of Galena, Kansas Taxable Industrial Revenue Bonds, (Galena MOB Partners, LLC) Series 2012 was not available at December 31, 2015.

CITY OF GALENA, KANSAS
Notes to Financial Statement
December 31, 2015

IV. Long-Term Debt

Changes in long-term liabilities for the City for the year ended December 31, 2015, were as follows:

Issue	Interest Rates	Date of Issue	Amount Issued	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds:									
Series 2011	0.50% - 5.00%	5/24/2011	\$ 1,495,000	12/1/2031	\$ 1,285,000	\$ -	\$ 55,000	\$ 1,230,000	\$ 51,665
Series 2012	3.50%	8/27/2012	\$ 340,000	8/27/2042	326,587	-	7,061	319,526	11,431
Total General Obligation Bonds					\$ 1,611,587	\$ -	\$ 62,061	\$ 1,549,526	\$ 63,096
KDHE Loans:									
Public Water Supply Revolving Loan	3.77%	9/11/2009	\$ 105,893	8/1/2030	\$ 88,820	\$ -	\$ 4,134	\$ 84,686	\$ 3,309
Capital Leases Payable:									
Police Tasers	0.00%	5/1/2014	\$ 3,665	5/1/2018	\$ 1,480	\$ -	\$ 370	\$ 1,110	\$ -
Fire Truck	3.73%	8/27/2013	\$ 158,908	8/27/2017	121,372	-	38,961	82,411	4,605
Total Capital Leases					\$ 122,852	\$ -	\$ 39,331	\$ 83,521	\$ 4,605
Total Contractual Indebtedness					\$ 1,823,259	\$ -	\$ 105,526	\$ 1,717,733	\$ 71,010

CITY OF GALENA, KANSAS
Notes to Financial Statement
For the Year Ended December 31, 2015

IV. Long-Term Debt (Continued)

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	YEAR										Total
	2016	2017	2018	2019	2020	2021-2025	2026-2030	2031-2035	2036-2040	2041-2042	
Principal:											
General Obligation Bonds	\$ 67,277	\$ 67,563	\$ 67,827	\$ 73,101	\$ 73,357	\$ 411,505	\$ 505,238	\$ 170,609	\$ 77,923	\$ 35,126	\$ 1,549,526
KDHE Loans	4,290	4,455	4,623	4,800	4,982	27,903	33,633	-	-	-	84,686
Capital Leases	40,808	42,343	370	-	-	-	-	-	-	-	83,521
Total Principal	\$ 112,375	\$ 114,361	\$ 72,820	\$ 77,901	\$ 78,339	\$ 439,408	\$ 538,871	\$ 170,609	\$ 77,923	\$ 35,126	\$ 1,717,733
Interest:											
General Obligation Bonds	\$ 61,748	\$ 60,054	\$ 58,139	\$ 56,065	\$ 53,670	\$ 225,026	\$ 130,574	\$ 32,081	\$ 14,517	\$ 1,854	\$ 693,728
KDHE Loans	3,153	2,988	2,820	2,643	2,461	9,312	3,582	-	-	-	26,959
Capital Leases Payable	3,128	1,593	-	-	-	-	-	-	-	-	4,721
Total Interest	\$ 68,029	\$ 64,635	\$ 60,959	\$ 58,708	\$ 56,131	\$ 234,338	\$ 134,156	\$ 32,081	\$ 14,517	\$ 1,854	\$ 725,408
Total Principal and Interest	\$ 180,404	\$ 178,996	\$ 133,779	\$ 136,609	\$ 134,470	\$ 673,746	\$ 673,027	\$ 202,690	\$ 92,440	\$ 36,980	\$ 2,443,141

CITY OF GALENA, KANSAS

Notes to Financial Statement

December 31, 2015

V. PENSION PLAN

General Information about the Pension Plan

Plan description. The City of Galena, Kansas participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publically available financial report that includes financial statements and required supplementary information. KPERS's financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 200, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rate for KPERS 1 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 0.85% contribution rate for Death and Disability Program) and the statutory contribution rate was 9.48% for the fiscal year ended December 31, 2015. Contributions to the pension plan from City of Galena, Kansas were \$78,457 for the year ended December 31, 2015. The amount does not include contributions paid by the Hospital Manager on behalf of Hospital Employees.

CITY OF GALENA, KANSAS

Notes to Financial Statement

December 31, 2015

V. PENSION PLAN (CONTINUED)

Net Pension Liability

At December 31, 2015, the City of Galena, Kansas's proportionate share of the collective net pension liability reported by KPERS was \$3,137,532. This amount includes the net pension liability of Hospital Employees. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014, which was rolled forward to June 30, 2015. The City of Galena, Kansas's proportion of the net pension liability was based on the ratio of the City of Galena, Kansas's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

VI. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has been unable to obtain workers' compensation insurance at a cost it considered to be economically justifiable. For this reason, the City joined together with other cities in the State to participate in Kansas Municipal Insurance Trust (KMIT), a public entity risk pool currently operating as a common risk management and insurance program for participating members.

The City pays an annual premium to the Kansas Municipal Insurance Trust (KMIT) for its workers' compensation insurance coverage. The agreement to participate provides that KMIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of a stated dollar amount for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KMIT management.

The City continues to carry commercial insurance for all other risks of loss. There have been no significant reductions in insurance coverage. Settled claims resulting from risks have not exceeded commercial insurance coverage in any of the past three years.

CITY OF GALENA, KANSAS

Notes to Financial Statement

December 31, 2015

VII. OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

VIII. CONTINGENCIES

VIII.A. LITIGATION

The City is party to various legal proceedings which normally occur in governmental operations. While the outcome of such proceedings cannot be predicted, due to insurance maintained by the City, the City feels that any settlement or judgment not covered by insurance would not have a material adverse effect on the financial condition of the City.

VIII.B. GRANT PROGRAM INVOLVEMENT

In the normal course of operations, the City participates in various federal and state grant/loan programs from year to year. The grant/loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loans. Any liability for reimbursement, which may arise, as the result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

VIII.C. LANDFILL CLOSURE COSTS

The City has two active landfills available for the disposal of construction/demolition materials and used tires. The operations of the landfill are accounted for in special purpose funds. The measurement and recognition of the liability for closure are based on total estimated current cost and landfill usage to date. Expenditures and fund liabilities are recognized using the statutory basis of accounting.

CITY OF GALENA, KANSAS
Notes to Financial Statement
December 31, 2015

VIII. CONTINENCIES (CONTINUED)

VIII.C. LANDFILL CLOSURE COSTS (CONTINUED)

When the landfill stops accepting solid waste, the City is required by federal and state law to close the landfill, including final cover and storm water management.

The estimated closure cost for these activities as of December 31, 2015 was \$951,244 based on cumulative landfill capacity used to date. Cost estimates are based on current data, including contracts awarded by the City, contract bids, and engineering studies. These estimates are subject to adjustment to account for inflation and for any changes in landfill condition, regulatory requirements, technologies, or cost estimates.

IX. SUBSEQUENT EVENTS

Management has evaluated the effects on the financial statements of subsequent events occurring through the date of this report, which is the date at which the financial statement was available to be issued.

CITY OF GALENA, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2015

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General Funds:					
General	\$ 1,450,000	\$ -	\$ 1,450,000	\$ 1,371,822	\$ (78,178)
Special Purpose Funds:					
Police Training	14,190	-	14,190	-	(14,190)
Police DUI	7,193	-	7,193	-	(7,193)
Drug Seizure	8,597	-	8,597	1,233	(7,364)
Fire Chassis	43,566	-	43,566	43,566	-
City Attorney Training	1,379	-	1,379	-	(1,379)
Landfill	121,100	-	121,100	28,891	(92,209)
Special Highway	83,000	-	83,000	74,346	(8,654)
Employee Benefits	222,663	-	222,663	124,231	(98,432)
Special Parks and Recreation	7,800	-	7,800	-	(7,800)
Library	61,186	-	61,186	61,186	-
Ambulance	192,182	-	192,182	190,528	(1,654)
Noxious Weeds	1,654	-	1,654	-	(1,654)
Cemetery Perpetual Care	175	-	175	-	(175)
Cemetery Perpetual Care Interest	1,393	-	1,393	-	(1,393)
Monofill-Bluehole	-	-	-	-	-
Water Meter	50,629	-	50,629	6,197	(44,432)
Park Improvements	29	-	29	-	(29)
City Beautification	281	-	281	-	(281)
Special Water	61,076	-	61,076	21,220	(39,856)
City Attorney DUI	744	-	744	-	(744)
Zeliken	3,683	-	3,683	-	(3,683)
Bond and Interest Funds					
Bond and Interest	175,157	-	175,157	125,157	(50,000)
Business Type Funds:					
Water	600,000	-	600,000	619,526	19,526
Sewer	370,000	-	370,000	246,590	(123,410)
Solid Waste	240,000	-	240,000	236,575	(3,425)

CITY OF GALENA, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2015

	Actual	Budget	Variance - Over (Under)
Receipts:			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	\$ 507,553	\$ 478,931	\$ 28,622
Delinquent Tax	16,031	8,200	7,831
Motor Vehicle Tax	21,729	16,809	4,920
Recreational Vehicle Tax	217	133	84
Commercial Vehicle Tax	2,253	-	2,253
Watercraft Tax	263	-	263
16/20 M Vehicle Tax	545	2,737	(2,192)
Local Alcoholic Liquor Tax	1,342	1,308	34
City and County Sales and Use Tax	530,072	506,094	23,978
Licenses, Permits and Fees	11,149	7,000	4,149
In Lieu of Taxes	6,577	-	6,577
Franchise Fees	185,155	186,000	(845)
Vehicle Inspections	5,780	5,000	780
Fire Contracts	4,000	4,000	-
Cemetery Lot Sales and Opening	10,150	10,000	150
Swimming Pool Receipts	5,042	3,500	1,542
Demolition Income	10,794	-	10,794
Fines	59,959	80,000	(20,041)
Donations	500	-	500
Community Building	941	1,200	(259)
Reimbursed Expense	35,849	-	35,849
Other	25,320	3,700	21,620
Interest	425	700	(275)
Grants	9,872	-	9,872
Operating Transfers	-	100,000	(100,000)
Sale of Equipment/Materials	34,886	-	34,886
Total Receipts	<u>\$ 1,486,404</u>	<u>\$ 1,415,312</u>	<u>\$ 71,092</u>
Expenditures:			
General Administration	\$ 384,752	\$ 457,000	\$ (72,248)
Streets	-	1,000	(1,000)
Street Lighting	47,432	52,000	(4,568)
Parks	99,189	100,000	(811)
Fire	118,455	113,167	5,288
Vehicle Identification Numbers	602	600	2
Police	529,562	534,390	(4,828)
Civil Defense	10,505	7,000	3,505
Municipal Court	28,956	29,000	(44)
Cemetery	60,866	85,000	(24,134)
Swimming Pool	30,430	27,277	3,153
Operating Transfers	60,703	43,566	17,137
Capital Lease - Police Tasers	370	-	370
Total Expenditures	<u>\$ 1,371,822</u>	<u>\$ 1,450,000</u>	<u>\$ (78,178)</u>
Receipts Over (Under) Expenditures	<u>\$ 114,582</u>		
Unencumbered Cash-Beginning	<u>56,368</u>		
Unencumbered Cash-Ending	<u>\$ 170,950</u>		

CITY OF GALENA, KANSAS
Police Training Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2015

	Actual	Budget	Variance - Over (Under)
Receipts:			
Municipal Court Fees	\$ 1,283	\$ 1,500	\$ (217)
Expenditures:			
Public Safety	\$ -	\$ 14,190	\$ (14,190)
Receipts Over (Under) Expenditures	\$ 1,283		
Unencumbered Cash-Beginning	12,535		
Unencumbered Cash-Ending	\$ 13,818		

CITY OF GALENA, KANSAS
Police DUI Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2015

	Actual	Budget	Variance - Over (Under)
Receipts:			
Municipal Court Fees	\$ 450	\$ 550	\$ (100)
Expenditures:			
Public Safety	\$ -	\$ 7,193	\$ (7,193)
Receipts Over (Under) Expenditures	\$ 450		
Unencumbered Cash-Beginning	6,578		
Unencumbered Cash-Ending	\$ 7,028		

CITY OF GALENA, KANSAS
Drug Seizure Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2015

	Actual	Budget	Variance - Over (Under)
Receipts:			
Drug Control Payments	\$ -	\$ 1,000	\$ (1,000)
Expenditures:			
Public Safety	\$ 1,233	\$ 8,597	\$ (7,364)
Receipts Over (Under) Expenditures	\$ (1,233)		
Unencumbered Cash-Beginning	6,567		
Unencumbered Cash-Ending	\$ 5,334		

CITY OF GALENA, KANSAS
Fire Chassis Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2015

	Actual	Budget	Variance - Over (Under)
Receipts:			
Operating Transfers	\$ 25,817	\$ 43,566	\$ (17,749)
Expenditures:			
Capital Lease	\$ 43,566	\$ 43,566	\$ -
Receipts Over (Under) Expenditures	\$ (17,749)		
Unencumbered Cash-Beginning	56,748		
Unencumbered Cash-Ending	\$ 38,999		

CITY OF GALENA, KANSAS
City Attorney Training Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2015

	Actual	Budget	Variance - Over (Under)
Receipts:			
Municipal Court Fees	\$ 254	\$ 300	\$ (46)
Expenditures:			
Public Safety	\$ -	\$ 1,379	\$ (1,379)
Receipts Over (Under) Expenditures	\$ 254		
Unencumbered Cash-Beginning	1,049		
Unencumbered Cash-Ending	\$ 1,303		

CITY OF GALENA, KANSAS
City Attorney DUI Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2015

	Actual	Budget	Variance - Over (Under)
Receipts:			
Municipal Court Fees	\$ 151	\$ 200	\$ (49)
Expenditures:			
Public Safety	\$ -	\$ 744	\$ (744)
Receipts Over (Under) Expenditures	\$ 151		
Unencumbered Cash-Beginning	505		
Unencumbered Cash-Ending	\$ 656		

CITY OF GALENA, KANSAS
Park Improvement Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2015

	Actual	Budget	Variance - Over (Under)
Receipts:			
Donations	\$ -	\$ -	\$ -
Expenditures:			
Recreation	\$ -	\$ 29	\$ (29)
Receipts Over (Under) Expenditures	\$ -		
Unencumbered Cash-Beginning	29		
Unencumbered Cash-Ending	\$ 29		

CITY OF GALENA, KANSAS
City Beautification Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2015

	Actual	Budget	Variance - Over (Under)
Receipts:			
Donations	\$ -	\$ -	\$ -
Expenditures:			
Public Works	\$ -	\$ 281	\$ (281)
Receipts Over (Under) Expenditures	\$ -		
Unencumbered Cash-Beginning	281		
Unencumbered Cash-Ending	\$ 281		

CITY OF GALENA, KANSAS
Landfill Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2015

	Actual	Budget	Variance - Over (Under)
Receipts:			
Fees	\$ 62,615	\$ 125,000	\$ (62,385)
Total Receipts	<u>\$ 62,615</u>	<u>\$ 125,000</u>	<u>\$ (62,385)</u>
Expenditures:			
Health and Sanitation	\$ 8,948	\$ 100	\$ 8,848
Tipping Fees	19,943	21,000	(1,057)
Operating Transfers	<u>-</u>	<u>100,000</u>	<u>(100,000)</u>
Total Expenditures	<u>\$ 28,891</u>	<u>\$ 121,100</u>	<u>\$ (92,209)</u>
Receipts Over (Under) Expenditures	\$ 33,724		
Unencumbered Cash-Beginning	<u>49,365</u>		
Unencumbered Cash-Ending	<u>\$ 83,089</u>		

CITY OF GALENA, KANSAS
Special Highway Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2015

	Actual	Budget	Variance - Over (Under)
Receipts:			
State of Kansas	\$ 78,272	\$ 78,550	\$ (278)
Total Receipts	<u>\$ 78,272</u>	<u>\$ 78,550</u>	<u>\$ (278)</u>
Expenditures:			
Public Works	\$ 74,346	\$ 83,000	\$ (8,654)
Receipts Over (Under) Expenditures	\$ 3,926		
Unencumbered Cash-Beginning	<u>9,020</u>		
Unencumbered Cash-Ending	<u>\$ 12,946</u>		

CITY OF GALENA, KANSAS

Employee Benefits Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2015

	Actual	Budget	Variance - Over (Under)
Receipts:			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	\$ 158,763	\$ 126,745	\$ 32,018
Delinquent Tax	9,810	4,500	5,310
Motor Vehicle Tax	19,097	16,243	2,854
Commercial Vehicle Tax	1,956	-	1,956
Watercraft Tax	254	-	254
Recreational Vehicle Tax	187	128	59
16/20 M Vehicle Tax	358	2,645	(2,287)
Total Receipts	<u>\$ 190,425</u>	<u>\$ 150,261</u>	<u>\$ 40,164</u>
Expenditures:			
General Government	<u>\$ 124,231</u>	<u>\$ 222,663</u>	<u>\$ (98,432)</u>
Receipts Over (Under) Expenditures	\$ 66,194		
Unencumbered Cash-Beginning	<u>81,173</u>		
Unencumbered Cash-Ending	<u>\$ 147,367</u>		

CITY OF GALENA, KANSAS
Special Liability Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2015

	<u>Actual</u>
Receipts:	
Taxes and Shared Receipts:	
Ad Valorem Property Tax	\$ 7,618
Delinquent Tax	379
Motor Vehicle Tax	741
Commercial Vehicle Tax	76
Watercraft Tax	10
Recreational Vehicle Tax	7
16/20 M Vehicle Tax	<u>12</u>
Total Receipts	<u>\$ 8,843</u>
Expenditures:	
General Government	<u>\$ 4,438</u>
Receipts Over (Under) Expenditures	\$ 4,405
Unencumbered Cash-Beginning	<u>33,839</u>
Unencumbered Cash-Ending	<u><u>\$ 38,244</u></u>

CITY OF GALENA, KANSAS
Special Parks Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2015

	Actual	Budget	Variance - Over (Under)
Receipts:			
Local Alcohol Liquor Fund	\$ 1,342	\$ 1,308	\$ 34
Total Receipts	<u>\$ 1,342</u>	<u>\$ 1,308</u>	<u>\$ 34</u>
Expenditures:			
Recreation	\$ -	\$ 7,800	\$ (7,800)
Receipts Over (Under) Expenditures	\$ 1,342		
Unencumbered Cash-Beginning	<u>3,436</u>		
Unencumbered Cash-Ending	<u>\$ 4,778</u>		

CITY OF GALENA, KANSAS

Library Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2015

	Actual	Budget	Variance - Over (Under)
Receipts:			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	\$ 62,580	\$ 54,829	\$ 7,751
Delinquent Tax	3,196	1,600	1,596
Motor Vehicle Tax	5,093	4,063	1,030
Commercial Vehicle Tax	526	-	526
Watercraft Tax	64	-	64
Recreational Vehicle Tax	51	32	19
16/20 M Vehicle Tax	118	662	(544)
Total Receipts	<u>\$ 71,628</u>	<u>\$ 61,186</u>	<u>\$ 10,442</u>
Expenditures:			
Appropriation to the Library Board	<u>\$ 61,186</u>	<u>\$ 61,186</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	\$ 10,442		
Unencumbered Cash-Beginning	<u>-</u>		
Unencumbered Cash-Ending	<u>\$ 10,442</u>		

CITY OF GALENA, KANSAS
 Ambulance Service Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2015

	Actual	Budget	Variance - Over (Under)
Receipts:			
Ambulance Subsidy from Cherokee County	\$ 190,528	\$ 192,182	\$ (1,654)
Expenditures:			
Appropriation to Cherokee County Ambulance Association, Inc.	\$ 190,528	\$ 192,182	\$ (1,654)
Receipts Over (Under) Expenditures	\$ -		
Unencumbered Cash-Beginning	\$ -		
Unencumbered Cash-Ending	\$ -		

CITY OF GALENA, KANSAS

Noxious Weed Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2015

	Actual	Budget	Variance - Over (Under)
Receipts:			
Taxes and Shared Receipts:			
Delinquent Tax	\$ -	\$ -	\$ -
Expenditures:			
Public Works	\$ -	\$ 1,654	\$ (1,654)
Receipts Over (Under) Expenditures	\$ -		
Unencumbered Cash-Beginning	2,355		
Unencumbered Cash-Ending	\$ 2,355		

CITY OF GALENA, KANSAS
 Cemetery Perpetual Care Interest Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2015

	Actual	Budget	Variance - Over (Under)
Receipts:			
Interest	\$ 148	\$ 175	\$ (27)
Expenditures:			
Cemetery Maintenance	\$ -	\$ 1,393	\$ (1,393)
Receipts Over (Under) Expenditures	\$ 148		
Unencumbered Cash-Beginning	1,132		
Unencumbered Cash-Ending	\$ 1,280		

CITY OF GALENA, KANSAS
 Equipment Reserve Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended December 31, 2015

	<u>Actual</u>
Receipts:	
Operating Transfers	<u>\$ 34,886</u>
Expenditures:	
Equipment	<u>\$ 15,000</u>
Receipts Over (Under) Expenditures	\$ 19,886
Unencumbered Cash-Beginning	<u>16,916</u>
Unencumbered Cash-Ending	<u><u>\$ 36,802</u></u>

CITY OF GALENA, KANSAS
Sewer Equipment Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2015

	<u>Actual</u>
Receipts:	
Operating Transfers	<u>\$ 6,970</u>
Expenditures:	
Equipment	<u>\$ -</u>
Receipts Over (Under) Expenditures	\$ 6,970
Unencumbered Cash-Beginning	<u>25,529</u>
Unencumbered Cash-Ending	<u><u>\$ 32,499</u></u>

CITY OF GALENA, KANSAS
 Monofill-Bluehole Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2015

	Actual	Budget	Variance - Over (Under)
Receipts:			
Operating Transfers	\$ -	\$ -	\$ -
Expenditures:			
Monofill Fees	\$ -	\$ -	\$ -
Materials	-	-	-
Total Expenditures	\$ -	\$ -	\$ -
Receipts Over (Under) Expenditures	\$ -		
Unencumbered Cash-Beginning	37		
Unencumbered Cash-Ending	\$ 37		

CITY OF GALENA, KANSAS
 Zelliken Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2015

	Actual	Budget	Variance - Over (Under)
Receipts:			
Interest	\$ -	\$ -	\$ -
Expenditures:			
Welfare	\$ -	\$ 3,683	\$ (3,683)
Receipts Over (Under) Expenditures	\$ -		
Unencumbered Cash-Beginning	5,683		
Unencumbered Cash-Ending	\$ 5,683		

CITY OF GALENA, KANSAS
Special Water Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2015

	Actual	Budget	Variance - Over (Under)
Receipts:			
Operating Transfers	\$ 12,000	\$ 12,000	\$ -
Expenditures:			
Public Works	\$ 21,220	\$ 61,076	\$ (39,856)
Receipts Over (Under) Expenditures	\$ (9,220)		
Unencumbered Cash-Beginning	62,773		
Unencumbered Cash-Ending	\$ 53,553		

CITY OF GALENA, KANSAS
Economic Development Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2015

	<u>Actual</u>
Receipts:	
Donations	<u>\$ 508</u>
Expenditures:	
Economic Development	<u>\$ -</u>
Receipts Over (Under) Expenditures	\$ 508
Unencumbered Cash-Beginning	<u> -</u>
Unencumbered Cash-Ending	<u><u>\$ 508</u></u>

CITY OF GALENA, KANSAS
 Bond and Interest Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2015

	Actual	Budget	Variance - Over (Under)
Receipts:			
Taxes and Shared Receipts:			
Ad Valorem Property Tax	\$ 141,635	\$ 104,653	\$ 36,982
Delinquent Tax	4,702	500	4,202
Motor Vehicle Tax	17,522	18,906	(1,384)
Commercial Vehicle Tax	1,730	-	1,730
Watercraft Tax	296	-	296
Recreational Vehicle Tax	160	149	11
16/20 M Vehicle Tax	-	3,078	(3,078)
Total Receipts	<u>\$ 166,045</u>	<u>\$ 127,286</u>	<u>\$ 38,759</u>
Expenditures:			
Debt Service	<u>\$ 125,157</u>	<u>\$ 175,157</u>	<u>\$ (50,000)</u>
Receipts Over (Under) Expenditures	\$ 40,888		
Unencumbered Cash-Beginning	<u>14,385</u>		
Unencumbered Cash-Ending	<u>\$ 55,273</u>		

CITY OF GALENA, KANSAS

Water Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2015

	Actual	Budget	Variance - Over (Under)
Receipts:			
Charges for Services	\$ 612,211	\$ 615,000	\$ (2,789)
Total Receipts	<u>\$ 612,211</u>	<u>\$ 615,000</u>	<u>\$ (2,789)</u>
Expenditures:			
Personal Services	\$ 126,136	\$ 138,057	\$ (11,921)
Contractual Services	118,855	82,500	36,355
Commodities	347,192	350,000	(2,808)
Capital Outlay	-	10,000	(10,000)
Debt Service	7,443	7,443	-
Operating Transfers	19,900	12,000	7,900
Total Expenditures	<u>\$ 619,526</u>	<u>\$ 600,000</u>	<u>\$ 19,526</u>
Receipts Over (Under) Expenditures	\$ (7,315)		
Unencumbered Cash-Beginning	<u>49,148</u>		
Unencumbered Cash-Ending	<u>\$ 41,833</u>		

CITY OF GALENA, KANSAS
Customer Deposit Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2015

	<u>Actual</u>
Receipts:	
Utility Deposits	<u>\$ 13,350</u>
Expenditures:	
Refunds	\$ 11,678
Interest	<u> 8</u>
Total Expenditures	<u>\$ 11,686</u>
Receipts Over (Under) Expenditures	\$ 1,664
Unencumbered Cash-Beginning	<u> 82,598</u>
Unencumbered Cash-Ending	<u><u>\$ 84,262</u></u>

CITY OF GALENA, KANSAS
Water Meter Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2015

	Actual	Budget	Variance - Over (Under)
Receipts:			
Operating Transfers	\$ 7,900	\$ -	\$ 7,900
Expenditures:			
Water Meters	\$ 6,197	\$ 50,629	\$ (44,432)
Total Expenditures	\$ 6,197	\$ 50,629	\$ (44,432)
Receipts Over (Under) Expenditures	\$ 1,703		
Unencumbered Cash-Beginning	71,573		
Unencumbered Cash-Ending	\$ 73,276		

CITY OF GALENA, KANSAS

Sewer Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2015

	Actual	Budget	Variance - Over (Under)
Receipts:			
Charges for Services	\$ 298,342	\$ 372,500	\$ (74,158)
Total Receipts	<u>\$ 298,342</u>	<u>\$ 372,500</u>	<u>\$ (74,158)</u>
Expenditures:			
Personal Services	\$ 87,942	\$ 45,000	\$ 42,942
Contractual Services	80,266	117,000	(36,734)
Commodities	71,412	83,000	(11,588)
Other	-	125,000	(125,000)
Operating Transfers	<u>6,970</u>	<u>-</u>	<u>6,970</u>
Total Expenditures	<u>\$ 246,590</u>	<u>\$ 370,000</u>	<u>\$ (123,410)</u>
Receipts Over (Under) Expenditures	\$ 51,752		
Unencumbered Cash-Beginning	<u>155,793</u>		
Unencumbered Cash-Ending	<u>\$ 207,545</u>		

CITY OF GALENA, KANSAS
Solid Waste Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2015

	Actual	Budget	Variance - Over (Under)
Receipts:			
Charges for Services	\$ 251,474	\$ 245,800	\$ 5,674
Franchise Fees	-	8,000	(8,000)
Total Receipts	<u>\$ 251,474</u>	<u>\$ 253,800</u>	<u>\$ (2,326)</u>
Expenditures:			
Personal Services	\$ 115,637	\$ 102,000	\$ 13,637
Contractual Services	89,963	118,000	(28,037)
Commodities	30,975	20,000	10,975
Total Expenditures	<u>\$ 236,575</u>	<u>\$ 240,000</u>	<u>\$ (3,425)</u>
Receipts Over (Under) Expenditures	\$ 14,899		
Unencumbered Cash-Beginning	<u>9,213</u>		
Unencumbered Cash-Ending	<u>\$ 24,112</u>		

CITY OF GALENA, KANSAS
 Cemetery Perpetual Care Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended December 31, 2015

	Actual	Budget	Variance - Over (Under)
Receipts:			
Interest	\$ 148	\$ 175	\$ (27)
Donations	-	-	-
Total Receipts	<u>\$ 148</u>	<u>\$ 175</u>	<u>\$ (27)</u>
Expenditures:			
Cemetery Maintenance	<u>\$ -</u>	<u>\$ 175</u>	<u>\$ (175)</u>
Receipts Over (Under) Expenditures	\$ 148		
Unencumbered Cash-Beginning	<u>125,978</u>		
Unencumbered Cash-Ending	<u>\$ 126,126</u>		